



General Assembly

January Session, 2019

Committee Bill No. 72

LCO No. 5608



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT ESTABLISHING A TAX CREDIT FOR EMPLOYERS THAT MAKE PAYMENTS ON LOANS ISSUED TO CERTAIN EMPLOYEES BY THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2020, and applicable to taxable*
2 *years commencing on or after January 1, 2020*) (a) As used in this section:

3 (1) "Authority" means the Connecticut Higher Education
4 Supplemental Loan Authority;

5 (2) "Eligible education loan" means a loan issued by the authority to
6 an individual to (A) finance attendance at an institution of higher
7 education, or (B) refinance one or more student loans;

8 (3) "Full-time" means required to work at least thirty-five hours per
9 week;

10 (4) "Qualified employee" means an individual who (A) is a resident
11 of the state, (B) is employed full-time in the state, (C) has received an
12 eligible education loan, and (D) has resided and been employed full-

13 time in the state for at least five years after (i) graduating from an
 14 institution of higher education, or (ii) receiving an eligible education
 15 loan to refinance one or more student loans;

16 (5) "Qualified employer" means a corporation licensed to operate a
 17 business in the state that is subject to tax under chapter 208 of the
 18 general statutes; and

19 (6) "Student loan" means any loan in repayment that was issued by
 20 (A) the authority, or (B) any other private or governmental lender to
 21 finance attendance at an institution of higher education.

22 (b) (1) Except as provided in subdivision (2) of this subsection, each
 23 qualified employer that (A) employs a qualified employee, and (B)
 24 makes a payment directly to the authority on an eligible education
 25 loan on behalf of such employee may claim a credit against the tax
 26 imposed under chapter 208 of the general statutes. Such credit shall be
 27 in an amount equal to fifty per cent of the amount of such payments
 28 made by such qualified employer on behalf of qualified employees
 29 during the taxable year.

30 (2) A qualified employer may not claim the credit under this
 31 subsection for (A) any loan payment in excess of the amount due by
 32 the eligible employee during the taxable year, or (B) more than five
 33 taxable years with respect to a specific qualified employee.

34 (c) A qualified employer that claims the credit under subsection (b)
 35 of this section shall provide any documentation required by the
 36 Commissioner of Revenue Services in a form and manner prescribed
 37 by the commissioner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2020, and applicable to taxable years commencing on or after January 1, 2020</i>	New section

BA *Joint Favorable*

FIN *Joint Favorable*